

Form 1
Individual Estate Property Record and Report
Asset Cases

Page: 1

Case No.: 19-03841

Case Name: Pain MD, LLC

For Period Ending: 09/30/2021

Trustee Name: (620060) David G. Rogers

Date Filed (f) or Converted (c): 06/14/2019 (f)

§ 341(a) Meeting Date: 07/15/2019

Claims Bar Date: 09/17/2019

Ref. #	1 Asset Description (Scheduled And Unscheduled (u) Property)	2 Petition/ Unscheduled Values	3 Estimated Net Value (Value Determined By Trustee, Less Liens, Exemptions, and Other Costs)	4 Property Formally Abandoned OA=\$554(a) abandon.	5 Sale/Funds Received by the Estate	6 Asset Fully Administered (FA)/ Gross Value of Remaining Assets
1	Account at Wells Fargo Bank (PainMD Corporate) 1712 West End Avenue, 2nd Floor, Nashville, TN 37203, xxxxx4100 Close out of bank account	5,110.84	5,110.84		45,167.78	FA
2	Account at SunTrust Bank (Kingsport) 731 Cool Springs Blvd., Franklin, TN 37067, xxxxx4028 Close out of bank account	529.35	529.35		529.35	FA
3	Account at SunTrust Bank (Lawrenceburg) 731 Cool Springs Blvd., Franklin, TN 37067, xxxxx4010 Close out of bank account	269.61	269.61		269.61	FA
4	Account at SunTrust Bank (Mt. Juliet) 731 Cool Springs Blvd., Franklin, TN 37067, xxxxx6902 Close out of bank account	5,693.65	5,693.65		5,693.65	FA
5	Account at Capital Bank (Greeneville) P.O. Box 1120, Greeneville, TN 37744-1120, xxxxx7085 Close out of bank account	1,189.75	1,189.75		1,189.75	FA
6	Account at Wells Fargo Bank (Bristol, VA) 1712 West End Avenue, 2nd Floor, Nashville, TN 37203, xxxxx8082 Close out of bank account	286.65	286.65		286.65	FA
7	Account at Wells Fargo Bank (Christiansburg, VA) 1712 West End Avenue, 2nd Floor, Nashville, TN 37203, xxxxx1727	817.15	817.15		0.00	FA
8	Account at Wells Fargo Bank (Concord, NC) 1712 West End Avenue, 2nd Floor, Nashville, TN 37203, xxxxx1743 Close out of bank account	958.81	958.81		225.00	FA
9	Account at Wells Fargo Bank (High Point, NC) 1712 West End Avenue, 2nd Floor, Nashville, TN 37203, xxxxx1750	482.83	482.83		0.00	FA
10	Account at Wells Fargo Bank (Mount Airy, NC) 1712 West End Avenue, 2nd Floor, Nashville, TN 37203, xxxxx1768 Close out of bank account	1,502.69	1,502.69		97.48	FA
11	Prepaid insurances (General liability, malpractice liability, property, auto and workers compensation)	5,000.00	5,000.00		0.00	FA
12	A/R 90 days old or less. Face amount = \$977,331.13. Doubtful/Uncollectible accounts = \$0.00. Receipt of A/R to date	977,331.13	977,331.13		1,792.35	FA
13	A/R Over 90 days old. Face amount = \$144,111.00. Doubtful/Uncollectible accounts = \$0.00.	144,111.00	144,111.00		0.00	FA

Form 1
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Page: 2

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14	Subaru Legacy (2012) VIN 4S3BMCC67C3019369; Original Cost: \$24,750.00. Sale of vehicle by auctioneer	Unknown	6,985.00		6,985.00	FA
15	Subaru Legacy (2013) VIN 4S3BMCC63D3036591; Original Cost: \$25,411.76. Sale of vehicle by auctioneer	Unknown	6,985.00		6,985.00	FA
16	Subaru Legacy (2015) VIN 4S3BNBC68F3074960; Original Cost: \$25,683.73. Sale of vehicle by auctioneer	6,849.08	6,849.08		12,265.00	FA
17	Subaru Legacy (2015) VIN 4S3BNBC62F3076297; Original Cost: \$25,928.47. Sale of vehicle by auctioneer	6,914.31	6,914.31		12,816.10	FA
18	Subaru Legacy (2016) VIN 4S3BNBC6XG3020450; Original Cost: \$25,885.43. Sale of vehicle by auctioneer	7,765.78	7,765.78		10,615.00	FA
19	Mercedes Cargo Van (2016) VIN WD3PG2EA4G3090814; Original Cost: \$36,082.59. Sale of vehicle by auctioneer	14,072.08	14,072.08		16,445.00	FA
20	Subaru Outback (2016) VIN 4S4BSBNC7G3360341; Original Cost: \$28,786.27. Sale of vehicle by auctioneer	12,474.09	12,474.09		21,340.00	FA
21	Subaru Legacy (2016) VIN 4S3BNAC68G3064182; Original Cost: \$26,416.38. Sale of vehicle by auctioneer	12,210.75	12,210.75		12,540.00	FA
22	Notes Receivable: Receivable from Michael Kestner - owner of MedManagement Inc. which is an 80% owner of PainMD, LLC. Funds (\$250,000) were borrowed from PainMD on October 15, 2015 and the remaining balance as of the current date is reflected.. Total Face amount - Uncollectable amount = \$178,500.00 - \$0.00	178,500.00	178,500.00		0.00	FA
23	Notes Receivable: Note receivable from Titan Management Partners, LLC (Sale of the North Carolina 4 clinic assets as of February 1, 2019 - note is payable monthly over 36 months - payments to begin in April 2019 but any payments are being held in escrow pending the outcome of the Federal Civil Action lawsuit against PainMD, LLC.). Total Face amount - Uncollectable amount = \$1,500,000.00 - \$0.00 Proposed compromise for payment \$44,286 set aside by Titan for purchase agreement filed 7/31/19 Doc. No. 47 - See asset #28	1,500,000.00	1,500,000.00		0.00	FA

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24	Notes Receivable: Note receivable from RInova The Wellness Group, P.C, (Sale of the Tennessee 4 clinic assets as of February 1, 2019 - note is payable monthly over 36 months - payments were to begin in April 2019 but no payments have been made due to actions taken by the Medicare Unified Program Integrity Contractor for suspension of Medicare reimbursements to the RInova clinics. All RInova clinics ceased operations as of May 8, 2019 due to insufficient funds for continued operations.) COLLECTIBILITY OF THIS NOTE IS HIGHLY DOUBTFUL.. Total Face amount - Uncollectable amount = \$1,250,000.00 - \$1,250,000.00	0.00	0.00		0.00	FA
25	Notes Receivable: Note receivable from Cadence Consulting, LLC (Sale of clinic assets of the 2 Virginia clinics as of February 2, 2019. RInova owned the medical practice and Cadence was contracted as the management entity with responsibility for all non-medical decisions of operational activity and was at financial risk for profits or losses. Note payments were to begin in April 2019 but no payments have been made due to the actions taken by the Medicare Unified Program Integrity Contractor for suspension of Medicare reimbursements to the RInova clinics. All RInova clinics ceased operations as of May 8, 2019 due to insufficient funds for continued operations.) COLLECTIBILITY OF THIS NOTE IS HIGHLY DOUBTFUL.. Total Face amount - Uncollectable amount = \$1,000,000.00 - \$1,000,000.00	0.00	0.00		0.00	FA
26	Account at Bank of America (u) Close out of bank account \$300.65 balance added per amendment, Doc. No. 19	300.65	195.65		195.65	FA
27	Miscellaneous Checks (u) Miscellaneous checks received	0.00	0.00		115.18	FA
28	Preference lawsuits (u) Most preference lawsuits settled - Final payment from Kestner settlement received 9/14/20	55,485.36	55,485.36		36,500.00	FA
29	Proceeds of second auction of medical equipment and other personal property in storage Personal property and equipment of debtor listed in original SOFA #20 in multiple storage units - Amended Schedules, Doc. No. 19 indicated unknown value	Unknown	54,404.70		54,404.70	FA
30	Contract 6195 profit share (Broker commission) (u)	7,714.38	7,714.38		7,714.38	FA
31	Proceeds of 2/23/21 auction of medical equipment from Charleston storage Proceeds of 2/23/21 auction of medical equipment from Charleston storage	15,000.00	15,000.00		20,223.50	FA
31	Assets Totals Case 3:19-bk-03841 Doc 244 Filed 10/26/21 Entered 10/26/21 17:46:26 Desc Main\$274,396.13					\$0.00

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Page: 4

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Major Activities Affecting Case Closing:

*****BANK ACCOUNTS*****

All bank accounts received.

*****A/R*****

Terry tells me Pain MD only has patient receivables from Medicare for services up through January 31, 2019. So all AR is over 135 days aged and it is 100% collectible if you are able to get the funds released from Medicare. All receivables were sold and Medicare has a pending lawsuit in federal court re: A/R and other assets.

*****NOTE RECEIVABLE TITAN/MIC*****

Trustee withdrew motion C&S with Titan/MIC because AUSA would move to forfeit funds.

*****DEFAMATION LAWSUIT*****

No, the damages are not significant enough to pursue, in our view.

Thanks.

Lauren Kilgore
Partner
SHACKELFORD, BOWEN, MCKINLEY & NORTON, LLP
47 Music Square East | Nashville, Tennessee 37203
Tel: (615) 329-4440 | Fax: (615) 329-4485
lkilgore@shackelford.law | www.shackelford.law

From: David Rogers <dgrtrustee@comcast.net>
Sent: Wednesday, August 14, 2019 1:21 PM
To: Lauren Kilgore <LKilgore@Shackelford.law>; John Nefflen <jnefflen@shackelford.law>
Cc: Jay Bowen <JBowen@Shackelford.law>
Subject: RE: Pain MD

I don't believe a lawsuit of the Debtor against someone else is stayed by the bankruptcy. Do you guys believe the damages are significant enough to pursue?

Case 3:19-bk-03841 Doc 244 Filed 10/26/21 Entered 10/26/21 17:46:26 Desc Main Document Page 4 of 7

Form 1
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Page: 5

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DR

*****ANNUAL REPORT UPDATE 2019*****

1. trustee reviewing general ledger/bank statements - potential avoidable transfers
2. trustee negotiated AO with state and U.S. Atty re: objections to preservation of medical records
3. trustee reviewing insurance refunds
4. trustee paying for one year storage facilities re: preservation of medical records
5. trustee receiving some checks from debtor
6. trustee monitoring state and federal false claim lawsuits
7. trustee evaluating defamation lawsuit - no value per lawyers
8. trustee has filed motions auction vehicles and also medical equipment of the debtor
9. trustee has sent preference letters

*****PREFERENCE ADVERSARY*****

trustee reviewed voluminous documentation and sent many letters - file AP v. Michael Kestner, Voya, Wells Fargo, Global Bio Resources, Inc. and Microgenics Corporation - trustee either settled or non-suited all Defendants

*****DESTRUCTION MEDICAL RECORDS*****

One storage facility records already shredded - rest of medical records will be shredded in January 2024 per state law. Trustee hired Adams and Reese who advised same. UST agreed to monitor Bizmatics electronic records to 2023.

*****TAX RETURN*****

2020 1065 federal tax return filed.

*****DISC ELECTRONIC MEDICAL RECORDS*****

Yes, it is safely stored at the UST office in a locked "evidence" cabinet. I have the instructions and the passwords to access. We will keep it until 1/1/2024.

Rebecca J. Yielding

Trial Attorney
Case 19-03841 Doc 244 Filed 10/26/21 Entered 10/26/21 17:46:26 Desc Main
615-736-2258 (office) Document Page 5 of 7

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Page: 6

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202-573-6953 (cell)

From: David Rogers <dgrtrustee@comcast.net>
Sent: Thursday, February 11, 2021 10:05 AM
To: Yielding, Rebecca J. (USTP) <Rebecca.J.Yielding@UST.DOJ.GOV>
Subject: PainMD

Did you receive the disk from Bizmatics?

DR

Parag,

The data disks went to me. The US Trustee's office is storing them for the required period. We have no need/intention to access the disks; however, I did receive the instructions and the passwords via encrypted email. Since there is pending litigation regarding the former owners, I believe someone will want to access the records eventually. However, it may be once the coronavirus vaccine is more widespread.

I appreciate your company reducing the cost to complete the data disk transfer as well as waiving the last month's electronic storage costs. Those reductions helped save money for the bankruptcy estate and allowed for storage of the records in compliance with state laws.

Thank you,

Rebecca J. Yielding
Trial Attorney, U.S. Trustee Program
701 Broadway, Suite 318
Nashville, TN 37203
615-736-2258 (office)
202-573-6953 (cell)

401(K) PROGRAM

Hello Lisabeth,

Thank you for taking care of the 5500 and getting that signed. I submitted that filing to the Department of Labor and the 8955-SSA to the IRS today. The link below contains a copy of the 5500 and the acknowledgment ID from the DOL.
<https://erisaservices.sharefile.com/d-s8b4c22e810b24d85b3773655a28fe2bb>

If you have any remaining questions or I can be of any future assistance please reach out. It has been a pleasure to work with you and I wish you all the best.

Best Regards,

Form 1
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Page: 7

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Relationship Manager

ANNUAL REPORT 2021

Trustee agreed to pay rent on storage facilities holding PainMD records in 3 states to the end of 2023 to comply with state and federal law.

Initial Projected Date Of Final Report (TFR): 12/31/2021

Current Projected Date Of Final Report (TFR): 03/01/2024

10/26/2021

/s/David G. Rogers

Date

David G. Rogers